

AGENDA ITEM

REPORT TO CABINET

23 JANUARY 2020

**REPORT OF SENIOR
MANAGEMENT TEAM**

CABINET INFORMATION ITEM

Cabinet Member for Regeneration and Housing - Lead Cabinet Member – Councillor Nigel Cooke

ECONOMIC CLIMATE UPDATE

SUMMARY

This report provides Members with an update on key economic and business announcements.

REASONS FOR PRODUCING THIS REPORT

Members are being presented with this report to provide them with relevant and timely information in relation to the labour market in Stockton-on-Tees and specific economic conditions as they relate to the Borough.

DETAIL

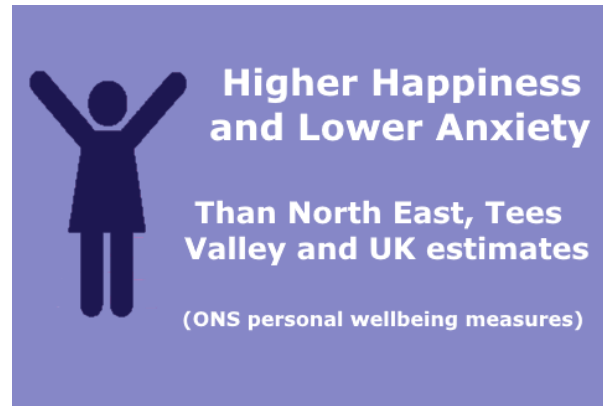
1. The Economic Climate Update reports are presented to Cabinet quarterly and themed by either 'Business', 'People' or 'Place'.
2. The structure of this report and subsequent ones will be streamlined for ease of interpretation and reference; however more details are available and can be accessed via the hyperlinks included at various points of the report.
3. The report is presented in sections as follows:
 - i. **Headlines** – a graphical update on the latest estimates and data trends associated with Stockton-on-Tees labour market;
 - ii. **Summary** – a useful narrative of the key economic statistics for Stockton-on-Tees;
 - iii. **Updates** – headlines from recent strategic and business announcements.
 - iv. **Case Study** – 'Starting out in Construction' course for local people

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Economic Climate Report – People

PEOPLE THEME REVIEW - HEADLINES

The graphics below provide an update on the latest estimates and data trends relating to indicators associated with the labour market in Stockton-on-Tees.



PEOPLE THEME REVIEW – SUMMARY

A Growing Population

The population of Stockton-on-Tees is 197,221 and has grown by 4.3% in the last 10 years, equating to 8,130 additional residents. This is higher growth than the regional average but not as high as the growth seen nationally

Measures of Wellbeing

The ONS publish measures of wellbeing based on a sample survey. In the most recent figures, Stockton-on-Tees achieved a score for the 'Happiness' of its population, which is higher than North East and National figures. The second highest of all 12 North East LAs whilst the Borough's score for 'Anxiety' was the best (out of North East LAs)

Life expectancy

A male born in Stockton-on-Tees is expected to live 78.1 years which is longer than the North East figure (77.9 years) but shorter than the national figure (79.2 years). A female is expected to live 81.4 years, which is slightly lower than the North East figure (81.6 years) and lower than the national figure (82.9 years). The proportion of life a person is expected to be healthy (healthy life expectancy) is lower in Stockton-on-Tees than national averages and lower than regional averages for males.

Year-on-year rises in Higher-Level Apprenticeships

In 2017/18 there were 230 people who started a Higher-level apprenticeship (equivalent of a foundation degree). This was a 15% rise on the previous year and a 77% increase on 3 years previously

An Ageing Population

The total population of the Borough is projected to have an additional 9,270 people by 2041. By then, the proportion of people aged over 65 will have increased from 19.4 % to 24.5% and the working age population (aged 16-64) will reduce from 61.8% of the population to 57.5%.

High Education Attainment

In 2019, 70% of Key Stage 2 pupils achieved the expected standard in Reading, Writing and Maths compared to 66% in the North East and 65% for England. Measures of KS4 attainment are consistently better in Stockton-on-Tees compared to the wider region and England figures

High levels of Education, Employment and Training

The proportion of 16 and 17 year olds who are not in Education, Employment and Training (NEET) or whose status is not known is 4.4%. This is in the top 3 (lowest scores) for all North East LAs (6.5%) and better than the national rate (5.5%)

Highest wages in the North East

In 2019, median wages of a full-time worker in Stockton-on-Tees were £570, which is similar to national averages and higher than all 11 of the other North East LAs. The median weekly earnings of residents are also the highest of the North East LAs at £576.90

High Qualification Levels

An estimated 35.2% of the working age population have qualifications of NVQ Level 4 and above. Whilst this is lower than national averages, it is higher than 10 of the 11 other North East LAs

PEOPLE THEME REVIEW – UPDATES

Strategic Updates
<ul style="list-style-type: none"> • <u>Stockton-on-Tees Business winners at the Tees Women in Business Awards 2019</u> – Stockton-on-Tees had 10 Nominees in the Awards; with 4 winners overall - Best New Business – Abacus Bean; SME of the Year – Additional Lengths; Inspiring Others – Catherine Devereux; Business of the Year – Jacksons Law Firm. A special Award was given to Professor Jane Tuner OBE DL for Outstanding Achievements and contributions to Enterprise • <u>British Steel shakes on £70m rescue deal</u>. - British Steel is to reveal a rescue deal that could save around 4,000 UK jobs; including those at the Teesside site
Business Announcements / Intentions
<ul style="list-style-type: none"> • <u>PX Group is a top performing firm</u> – The company has jumped up the UK’s league table of top performing firms; placed 106th in the list of 250 British, private mid-market growth companies with the most impressive sales. The company has also recently acquired a majority stake in an oil and gas management company, Camm-Pro. The investment is aligned to the company’s strategy of strengthening their onshore and offshore capability • <u>The National Timber Group has acquired Cotswold Manufacturing</u>. The acquisition has secured 45 jobs at the 80,000 sq.ft facility at Teesside Industrial Estate, as well as boosting National Timber Group’s position as one of the largest timber specialists in the UK • <u>New jobs created by Everflow Tech</u>. Water retailing company Everflow Group based at Wynyard Business Park has launched a tech-focused subsidiary called Everflow Tech, creating seven new jobs and predictions to create more than 100 new jobs within the next three years • <u>Nicholsons Group creates 15 new jobs</u>. The company has created another business branch of Burnside Distribution for fulfilment centre and pick and pack facilities at their existing site at Billingham Chemical Complex • <u>Vintage Financial Planners has almost doubled its workforce</u>. The company has taken on larger premises at Preston Farm Business Park to accommodate its growth in staff numbers, which have almost doubled in the last 12 months to 17 • <u>Web.com now has four offices across the UK</u>. Based at Preston Farm Industrial Estate, the business was established 21 years ago as an online directory business. It has grown and developed and now has four offices throughout the UK, including in the North of England and London; with up to 3.4 million active customers worldwide, including just under 8,000 in the UK
Strategic Locations
<ul style="list-style-type: none"> • <u>Teesside International Airport has appointed Stockton-based Cornerstone Business Solutions to provide IT support to the airport</u>. The three-year agreement with Cornerstone will include an overhaul of the IT network infrastructure, including the wi-fi throughout the terminal, to ensure that passengers can enjoy a fast and free connection • <u>Grand Central to invest in improvements at Eaglescliffe Station as part of £2.6m investment plans</u>. The station will receive a new First-Class lounge as well as a Standard-Class waiting room. The facilities will have charging points for passengers as well as new workstation areas. The waiting room will also make use of solar panels and rainwater harvesting
Training & Skills
<ul style="list-style-type: none"> • <u>An independent training provider is going from strength to strength as it approaches its third anniversary</u>. Nordic Engineering Training and Testing Centre based in Stockton-on-Tees and works with local industry to provide relevant skills-based training and qualifications to help fill the growing number of local jobs within the engineering sector

CASE STUDY – ‘STARTING OUT IN CONSTRUCTION’ COURSE FOR LOCAL PEOPLE

As a result of the planning requirements for the public realm works at Teesside Park, British Land developed an Employment, Skills and Procurement Strategy. This document sets out the strategy within the context of Stockton-on-Tees Borough Council's aspirations with regards to maximising the economic and social benefit for residents and businesses in the area, builds upon the previous work of British Land in the local area and nationally and was developed in discussions with the Principal Employability Officer at the Local Authority.

The Vision for the Strategy is to ensure that through both the construction and operational phases of the site, local people have access to jobs, training opportunities and apprenticeships and employers can access a suitably qualified, skilled and experienced workforce.

Due to skill shortages in the construction sector, British Land agreed to invest in the region of £19,000 to fund a six week **‘Starting Out in Construction’** course that provided local residents with opportunities to understand the different roles available in the construction industry, undertake a variety of training courses that are beneficial to the sector and will enhance their future prospects and provide work experience placements.



A partnership was established with representatives from the Council, British Land, Community Campus 87, Three13 Training, Bowmer and Kirkland and Fox Lloyd Jones Ltd. to agree the format and content of the course to ensure that what was delivered was required by the sector and would provide a good stepping stone in to employment or further training.

The course was run over six weeks and learners achieved a Construction Skills Certification Scheme (CSCS) card, a Client Contractor National Safety Group (CCNSG) Safety passport and nationally recognised accreditation in Working at Heights, First Aid, Health & Safety and Asbestos Awareness. They also received short periods of work experience over the six weeks.



The course was promoted by a variety of organisations and two briefing events took place for local residents and 12 people were selected to start the course. The training was delivered by two local third sector training providers, namely, Community Campus 87 and Three13 Training at both of their facilities in central Stockton and at Eaglescliffe respectively. The work experience placements were hosted by the main contractor, Bowmer and Kirkland, their sub-contractors and Community Campus. All 12 people started and 11 people completed the six-week course.

Since completing the course, to date, seven people have secured employment or progressed in to further education. Employment includes, a trainee site manager, three apprentice joiners, a joiner and a construction multi-skilled apprentice. One person is attending college full time, undertaking a painting and decorating course, two others are still engaged and awaiting interviews with a sub-contractor and unfortunately, the remaining two people have disengaged with the organisations despite regular approaches.

The course was well received by both the young people and the employers involved; with some of the young people saying:

“Really enjoyed the programme, combining work experience with relevant qualifications, I was able to find employment plus some great new connections with people in my area”

“Great people to work with enjoyed every minute of it. With the work and experience, they gave me I got the confidence to move on and go far in life. Had a great time”.

Very good the way we have been treated. Lovely caring people. The things that we have taken part in and completed will really help in future”